To Our Clients,

Given the rapid and significant changes that are impacting almost every country, company and individual throughout the world, we thought it would be helpful to share some of our thoughts with you prior to our First Quarter Report (which you will receive mid-April).

It is clear that no company or individual is immune to the current health issues we are all currently dealing with. And the full impact is not yet known. What we do know, is most of our companies will be stress tested in unprecedented ways.

Here are a few things we are doing:

- Re-assessing our portfolio companies for a prolonged environment of disruption:
    - *The vast majority of our portfolio companies have net cash (no net debt) on their balance sheet. The probability of a material, permanent impairment of intrinsic value for any of our companies is low.*
- Re-assessing our companies' short, medium, and long-term prospects:
    - *We are reallocating money (and investing new money) in the portfolio to increase our weightings in those businesses with the strongest long-term prospects.*
- We are assessing the impact of a severe, prolonged period of disruption on the intrinsic value of our portfolio companies:
    - *<u>This is an important point:</u> The intrinsic value of a company is entirely based on the cash it will produce for its owners over the <u>lifetime</u> of the business. If our entire portfolio of companies earned zero profits over 2020 and 2021, the overall decline in intrinsic value is less than five percent. Our companies will stay solvent, there will however be minor declines in intrinsic value for some, but most of our companies will experience minimal or no change in their intrinsic values. We expect a few will emerge from this period with higher values.*
- We are in contact with many of our companies' managers and assessing their actions:
    - *Most of our companies seem to be doing the right things: protecting their employees and customers, ensuring solvency, and where possible making decisions to increase the long-term value of their businesses – this includes share repurchases and opportunistic investments, if and when, it makes sense.*

As we write this, we believe the common share prices of most companies are at a steep discount to the underlying values of their businesses. It will take some time for this price-to-value gap to narrow, and it may widen further, but we believe this stressful period will pass and share prices will again more reasonably reflect underlying business values.

A couple of other points you should know:

- HughesLittle Investment Management Ltd., the manager of the Funds and our private accounts is financially healthy, as are all of our employees. We are doing our best to stay that way.
- Clients of the HughesLittle Value and HughesLittle Balanced Fund have been 'net' buyers of units. The Funds have experienced very few redemptions.
- All employees of HughesLittle are unitholders of both Funds and we all continue to add money to our investments.

Some additional thoughts:

- Stay healthy by following the protocols as advised by our health authorities.
- Stay patient with your investments and try not view price declines as permanent losses.
- It is important to keep cash on hand to meet your daily needs so you can avoid forced selling of your investments at discounted prices.
- If you have cash well beyond what you need for at least a year of living expenses, and you would like to invest this cash for the long-term, consider making additional investments in our Funds over the next few months.

Stay well and don't hesitate to call or write us if you have questions or if you would like to talk.

Joe Little, Mark Hughes, Barb Rogers, Shafaz Jivani, Thompa Tsering, Kitty Choi